

59-10-1023 Nonrefundable tax credit for amounts paid under a health benefit plan.

(1) As used in this section:

- (a) "Claimant with dependents" means a claimant:
 - (i) regardless of the claimant's filing status for purposes of filing a federal individual income tax return for the taxable year; and
 - (ii) who claims one or more dependents under Section 151, Internal Revenue Code, as allowed on the claimant's federal individual income tax return for the taxable year.
- (b) "Eligible insured individual" means:
 - (i) the claimant who is insured under a health benefit plan;
 - (ii) the spouse of the claimant described in Subsection (1)(b)(i) if:
 - (A) the claimant files a single return jointly under this chapter with the claimant's spouse for the taxable year; and
 - (B) the spouse is insured under the health benefit plan described in Subsection (1)(b)(i); or
 - (iii) a dependent of the claimant described in Subsection (1)(b)(i) if:
 - (A) the claimant claims the dependent under Section 151, Internal Revenue Code, as allowed on the claimant's federal individual income tax return for the taxable year; and
 - (B) the dependent is insured under the health benefit plan described in Subsection (1)(b)(i).
- (c) "Excluded expenses" means an amount a claimant pays for insurance offered under a health benefit plan for a taxable year if:
 - (i) the claimant claims a tax credit for that amount under Section 35, Internal Revenue Code:
 - (A) on the claimant's federal individual income tax return for the taxable year; and
 - (B) with respect to an eligible insured individual;
 - (ii) the claimant deducts that amount under Section 162 or 213, Internal Revenue Code:
 - (A) on the claimant's federal individual income tax return for the taxable year; and
 - (B) with respect to an eligible insured individual; or
 - (iii) the claimant excludes that amount from gross income under Section 106 or 125, Internal Revenue Code, with respect to an eligible insured individual.
- (d)
 - (i) "Health benefit plan" is as defined in Section 31A-1-301.
 - (ii) "Health benefit plan" does not include equivalent self-insurance as defined by the Insurance Department by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
- (e) "Joint claimant with no dependents" means a husband and wife who:
 - (i) file a single return jointly under this chapter for the taxable year; and
 - (ii) do not claim a dependent under Section 151, Internal Revenue Code, on the husband's and wife's federal individual income tax return for the taxable year.
- (f) "Single claimant with no dependents" means:
 - (i) a single individual who:
 - (A) files a single federal individual income tax return for the taxable year; and
 - (B) does not claim a dependent under Section 151, Internal Revenue Code, on the single individual's federal individual income tax return for the taxable year;
 - (ii) a head of household:
 - (A) as defined in Section 2(b), Internal Revenue Code, who files a single federal individual income tax return for the taxable year; and
 - (B) who does not claim a dependent under Section 151, Internal Revenue Code, on the head of household's federal individual income tax return for the taxable year; or
 - (iii) a married individual who:

- (A) does not file a single federal individual income tax return jointly with that married individual's spouse for the taxable year; and
 - (B) does not claim a dependent under Section 151, Internal Revenue Code, on that married individual's federal individual income tax return for the taxable year.
- (2) Subject to Subsection (3), and except as provided in Subsection (4), for taxable years beginning on or after January 1, 2009, a claimant may claim a nonrefundable tax credit equal to the product of:
- (a) the difference between:
 - (i) the total amount the claimant pays during the taxable year for:
 - (A) insurance offered under a health benefit plan; and
 - (B) an eligible insured individual; and
 - (ii) excluded expenses; and
 - (b) 5%.
- (3) The maximum amount of a tax credit described in Subsection (2) a claimant may claim on a return for a taxable year is:
- (a) for a single claimant with no dependents, \$300;
 - (b) for a joint claimant with no dependents, \$600; or
 - (c) for a claimant with dependents, \$900.
- (4) A claimant may not claim a tax credit under this section if the claimant is eligible to participate in insurance offered under a health benefit plan maintained and funded in whole or in part by:
- (a) the claimant's employer; or
 - (b) another person's employer.
- (5) A claimant may not carry forward or carry back a tax credit under this section.

Enacted by Chapter 389, 2008 General Session